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ILLEGAL FOREIGN WORKERS IN JAPAN

Summary

Illegal foreign workers in Japan, mainly from Southeast Asia, have increased rapidly in recent years. This influx, attracted by the country's second-longest postwar economic expansion, has raised serious concerns within the government and has led to a tightening of Japan's immigration law effective June 1, 1990. Pressure from Asia's newly industrialized economies and developing countries elsewhere for Tokyo to accept more foreigners indicates, however, that the changes in the immigration law will not fully solve the dilemma associated with foreign workers in Japan.

Neither government, industry nor labor has reached a consensus on this heated issue. Some experts believe Japan should defuse criticism that says the country's emphasis on its monoculture and single race limits its participation in the family of nations. They emphasize that the time is at hand for Japan to open its society and accept the various values of different people from abroad. This argument, helped by the human rights movement, is gaining acceptance by a majority of people. How the problem of foreign workers is addressed in the next few years will indicate the long-term direction of the Japanese economy, society and culture.

Growing Number of Illegal Foreign Workers

Figures from the Ministry of Justice, which administers the immigration law, show a drop in the last two years in the number of illegal female foreign

workers in Japan, who formed the majority of illegal aliens in the early 1980s, and a rapid increase in the ranks of males (see Table 1). Most analysts attribute these changes to the recent construction boom, which requires more male workers, and to the strict enforcement of the immigration law as it relates to the entertainment industry, which encompasses such jobs as bar hostesses as well as performing arts.

Table 1: The Number of Illegal Foreign Workers

Year	Total	Men	Women
1984	4,783	350	4,433
1985	5,629	687	4,942
1986	8,131	2,186	5,945
1987	11,307	4,289	7,018
1988	14,314	8,929	5,385
1989	16,608	11,791	4,817

MOJ's numbers represent only illegal workers who were prosecuted; thus, 1989's total of 16,608 is considered only the tip of the iceberg. The estimated population of illegal workers now in Japan exceeds 100,000, almost double the ministry's guess a year ago. Justice officials figure that half of these people have been in the country for more than a year, suggesting that longer stays are becoming more popular.

A look at prosecuted illegal workers by country of origin (see Table 2) shows that the women come mainly from the Philippines, South Korea and Thailand, while the men are largely Pakistanis, South Koreans, Bangladeshis and Malaysians. An estimated 74 percent of the females works in the entertainment or prostitution-related industries. Jobs for illegal males are found mainly in construction (47.3 percent) and small factories (39.8 percent), where the foreigners work as machine tool operators. Pakistan, Malaysia and South Korea are major sources of unskilled workers for construction jobs; Pakistan and Bangladesh provide a significant portion of the foreign work force in factories.

Table 2: Illegal Workers by Country in 1989

Country	Total	Men	Women
Philippines	3,740	1,289	2,451
Pakistan	3,170	3,168	2
South Korea	3,129	2,209	920
Bangladesh	2,277	2,275	2
Malaysia	1,865	1,691	174
Thailand	1,144	369	775
China	588	316	272
Others	695	474	221
Total	16,608	11,791	4,817

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Concerned in the late 1980s about the multinationalization of Japan's foreign work force and the dispersion of illegal workers from Tokyo to other cities, the Justice Ministry consulted with some Asian countries in a bid to limit illegal emigration. Moreover, enforcement of the immigration law was stepped up. As a result of these efforts, the ministry succeeded in substantially stemming the inflow of illegal workers from the Philippines, Bangladesh and Thailand in 1989. Furthermore, the number of people refused entry into Japan because their passports or visas were not in order more than tripled last year, going from 765 to 2,607.

When 107 Chinese landed at a small island off Nagasaki prefecture in late May 1989, they portrayed themselves as political refugees from Vietnam. (Tokyo pledged in 1979 to take political refugees from Vietnam and provide educational and/or job opportunities for them, marking the only exception to the country's strict immigration law.) Although the arrivals looked Vietnamese, they could hardly speak the language. The authorities realized that they were Chinese farmers wanting to work in Japan. Afterward, immigration officials became aware of a continuous inflow of Chinese disguised as refugees and of others smuggled into Japan aboard Chinese cargo ships. Tokyo agreed with Beijing to send the apprehended arrivals back to China in the near future.

Other ruses used by illegal workers are to pretend to be students in language or technical training schools. The number of students whose disguises failed them jumped from 213 in 1988 to 465 last year. Chinese accounted for 63 percent of the 1989 figure and 76 percent of the increase.

Causes of the Illegal Inflow

Japan's second-longest economic expansion (see JEI Report No. 22B, June 8, 1990) has created a lure for workers with dim prospects in struggling Asian countries and those eager to learn the technical secrets of economic success. Furthermore, the governments of some Asian countries encourage people to work overseas as one means of coping with high unemployment rates. At the same time Japan's fast-rising standard of living has meant that many of the Japanese who in the past filled unskilled or semiskilled positions now have higher ambitions, forcing employers to scramble to find enough blue-collar workers. Pushed and pulled, Japan has witnessed a rapid influx of foreign workers, both legal and illegal, in recent years.

The latest Ministry of Justice statistics on legal foreign residents in Japan show that the number of Chinese increased by 53.2 percent between 1986 and 1988. The same trend was evident for Filipinos (up 70.3 percent), Bangladeshis (up 80.1 percent), Thais (up 77 percent) and Pakistanis (up 65.8 percent). Therefore, both the statistics on legal foreign residents and the estimated number of illegal aliens imply that as long as enormous economic differences remain between Japan and its Asian neighbors, foreign pressure for Japan to open its labor market to Asians will continue.

Changes in the Law

Japanese immigration regulations bar legal entry for job-seeking unskilled foreigners. That policy is very similar to the legal environment in the United States and European countries. Japan's emigration and immigration law,

enacted in 1951, provides the legal basis for refusing entry to unskilled workers. However, the existence of an estimated 100,000-plus illegal residents in Japan indicates that the law has been ineffective in dealing with the rapid influx of undocumented workers. Late last year the Diet, at the urging of the Ministry of Justice, amended the law by shrinking loopholes for unskilled workers and expanding opportunities for skilled labor (see JEI Report No. 46B, December 8, 1989). The changes went into effect June 1.

In order to expand the openings for skilled labor, the modified law adds 10 more job classifications to the 18 previous types of vocations under which foreigners can work and stay in Japan (known as a "qualification of stay"). Immigration officials make sure foreigners have the proper passports and visas and that their purpose for coming to Japan to work fits one of the 28 "qualifications of stay" categories. To smooth immigration procedures the revised law allows the Justice Ministry to issue a certificate describing the "qualification of stay" before an applicant arrives in Japan, if he or she submits the proper documents in time.

Similar to this country's 1986 Simpson-Rodino-Mazzoli immigration act, which makes employers responsible for ensuring that their employees are legally eligible to work, Japan's amended immigration law revises the schedule of penalties and fines to prevent employers from intentionally hiring illegal workers. Both employers and intermediaries who promote the use of illegal workers can face up to three years of imprisonment or Y2 million ($13,300 at Y150=$1.00) in fines. This provision applies only to those who hire or promote the hiring of illegal workers after the June 1 implementation date. In early May rumors spread among illegal workers and their employers to the effect that both employers and illegal workers would be jailed or fined on conviction regardless of when the hiring took place. As a result of this groundless rumor, hundreds of illegal workers rushed into immigration offices in late May to request deportation. Although the rumors were incorrect, at least one Japanese government official regarded them favorably because they helped decrease the number of illegal aliens in Japan.

Foreigners who violate the immigration law do so in two main ways. Either they extend their stay in Japan beyond the officially permitted time and thus are working illegally or they violate the status of their visa and get a job that is not covered by their official "qualification of stay." Strong penalties were considered necessary to deter both types of circumvention.

In addition to the penalties, the amended law provides two more specific measures to facilitate strict enforcement. The Justice Ministry can issue a "work certificate" to legal foreign workers if they request one to get a job. Employers can check whether foreign job applicants are legal or not by asking to see their work certificate prior to hiring. The other enforcement mechanism is to stipulate the monthly minimum wage for each type of job category eligible for a "qualification of stay." The implementing rules and regulations issued May 20 listed the acceptable minimums. For example, a job classified as "entertainment," such as singing or dancing, requires monthly wages of more than Y200,000 ($1,333). Foreigners holding jobs in "investment or management," "medical service" or "study/education" need to be guaranteed a monthly salary equivalent to what a Japanese employee would get in the same job. The revised immigration law also makes it harder for companies that want to bring in foreign trainees (see JEI Report No. 34B, September 1, 1989).

The amended law alarmed not only illegal workers but also companies in industries that depend on illegal aliens to overcome domestic labor shortages, such as construction, fast food, textiles and machinery. Many small companies began to consult with lawyers on how to deal with these problems. Some decided to use foreign students, who legally can work part-time. Another circumvention draws on the limited pool of legal Japanese citizens who cannot speak Japanese. These people typically are second- or third-generation descendants of Japanese Brazilians and Japanese Peruvians who went to South America before World War II.

Brazil and Peru have a policy of giving citizenship to anyone who can prove through a birth certificate that he or she was born within their borders. This is similar to what the United States and Canada do. Japan's rules for granting citizenship are different. There, at least one of the parents must be a citizen to be able to register the baby's name with the government. (The United Kingdom and France have the same policy.) These requirements mean that the child of illegal aliens cannot get Japanese citizenship since Tokyo does not regard a birth certificate as sufficient for citizenship. In contrast, a child born overseas to Japanese citizens can get Japanese citizenship if its Japanese parent registers the baby's birth with the Japanese embassy in the country in which the parents are living.

In this way most Japanese Brazilians and Peruvians have dual citizenship. Since they are considered Japanese nationals, they easily can get a Japanese passport and can work legally in Japan. An estimated 200,000 Brazilians and 70,000 Peruvians have Japanese passports under such circumstances. Several Japanese newspapers recently carried articles about the decision of trade associations representing small Japanese manufacturers of textiles and nonferrous metals to send a mission to Brazil and Peru to investigate the possibility of hiring dual citizens on a long-term basis.

Pros and Cons of Illegal Workers

The government has maintained a policy of not granting unskilled foreigners permits to work in Japan. The rationale includes:

- Foreign workers will reduce employment opportunities for Japanese citizens and worsen job prospects for women, older workers and the disabled; this pool of potential workers has not been tapped fully.

- A rapid influx of unskilled foreign laborers without sufficient preparation might cause societal problems. Among the fears are more crime, a deterioration in the living environment in metropolitan areas, confusion in the area of government-provided benefits -- education, health insurance and social security -- and social friction between Japanese and foreigners.

- A policy of allowing unskilled foreign workers to enter Japan during periods of economic expansion and what the government sees as the corollary -- forcing them to leave during downturns -- is irresponsible.

Most labor unions have supported the government's view. Trade associations representing small and midsized companies, however, have a different opinion.

• There is no way to prevent all unskilled foreign workers from entering the labor market in Japan; the job opportunities available there and the economic differences between it and Southeast Asian countries simply are too great.

• Companies in the construction and entertainment fields and small manufacturers, all of which now hire illegal foreign workers, are not finding enough job applicants among the untapped labor pool of women, older workers and the disabled. Therefore, an increase in the number of unskilled foreign laborers will not reduce opportunities for these potential employees.

• The short-term prescription for the current labor bottleneck is to hire foreigners.

To deflate social concerns about an influx of foreign workers, small business groups in Japan have proposed that the government set up a new organization that would bring in unskilled foreign workers for a limited time and then send them home at the end of that period. This body would keep close track of the foreign workers and would be responsible for their wages, working conditions and emigration. The families of foreign laborers would not be allowed to come to Japan because of the desire to keep these workers from settling in Japan. A similar proposal by the Ministry of Justice (see JEI Report No. 39B, October 13, 1989) outlined on a much smaller scale plans for trainee programs. MOJ's organization would allocate trainees to companies and set conditions that companies must meet before they receive trainees. Moreover, the companies would have to agree to guarantee that the trainees would emigrate after finishing the program.

This idea stems from West Germany's experience. When that country faced a serious labor shortage in 1950, Bonn decided to arrange for unskilled laborers from Italy, Spain, Greece, Turkey, Portugal and Yugoslavia to work legally in West Germany. Officials expected the workers to return home after their work term expired. That did not happen. The work experience and skills gained by foreign workers during their supposedly limited employment made employers reluctant to let them go. The employees also wanted to stay in West Germany, where they had a secure, comparatively well-paying job. Foreign workers then began to send for family members and proceeded to settle in West Germany.

Experts estimate that at the end of 1987 West Germany had close to 1.5 million Turks, 600,000 Yugoslavs, 550,000 Italians, 280,000 Greeks and 1.7 million-plus people of other nationalities living there for a total of more than 4.6 million foreigners. They accounted for 7.6 percent of the total population. Social problems, including high unemployment and deteriorating housing conditions, are among the reasons given by the Bonn government for tightening its immigration policy in 1973 and passing a new law in 1983 to encourage foreign workers to go back to their countries of origin. The policy proposed by small Japanese businesses recognizes the problems encountered by West Germany and attempts to avoid making the same mistakes by strictly controlling foreign workers.

Academic circles are very critical of this idea. They reason:

• An organization such as the one proposed by small business groups would be costly and hard to manage. No organization can monitor more than 100,000 foreign workers spread out all over the country.

• From a foreign relations standpoint, if not a human rights perspective, allowing in large numbers of foreign workers when the domestic labor market is tight implies that they cannot easily be sent home during economic slowdowns. Neighboring Asian countries would regard such a massive deportation as the export of unemployment to them, and they are likely to condemn Japan as being selfish.

• The economic rationale for an international division of labor indicates that rather than workers going to where the jobs are, companies should move operations to where labor is abundant. Small companies that hire illegal foreign workers because they are willing to work for low wages should relocate to developing countries.

• The role of government is not to provide jobs for unskilled, low-wage foreign laborers but to extend opportunities to such workers to improve their skills through training and study. This function also would facilitate the transfer of technology to Third World countries.

In line with this last idea a cross section of Japanese government officials also feels that a critical task for Tokyo is deciding how to expand trainee programs for foreign workers. An advisory group to the Ministry of International Trade and Industry submitted a proposal at the end of May to double the number of trainees brought to Japan to 50,000 within two years. Concerned that the current trainee system is too rigid, the Ministry of Labor also has begun to consider how to relax the applicable regulations to increase the number of trainees. The Ministry of Justice, which administers the trainee program, is not opposed to the idea of increasing the number of participants. However, it thinks that the program should be strictly monitored and not be modified to allow unskilled workers to get into Japan disguised as trainees.

In contrast to the positions taken by government, big business, labor and the academic community, the Japanese public is more sympathetic to allowing foreigners to take jobs in Japan. A mid-October 1989 poll by Asahi Shimbun showed that 56 percent of the people surveyed agreed that more foreigners should be allowed to work in Japan under certain conditions; 68 percent replied affirmatively in the metropolitan Tokyo area. Among the conditions described in the poll were limitations on the number of years foreigners could work, restrictions on the types of businesses that could hire non-Japanese and a cap on the number of people allowed work permits. Furthermore, 45 percent of the respondents supported the idea of granting amnesty to current illegal workers. Only 13 percent and 6 percent admitted to concerns for, respectively, social instability and changed working conditions. People who have analyzed this poll say the results reflect Japan's lack of familiarity with the serious problems West Germany experienced with foreign workers.

Japan's major political parties have just started to address the issue of foreign workers. The Liberal Democratic Party, which has a majority in the Diet's lower house, began discussions on this subject in the committee on small and medium-sized companies May 29 and in a special committee on foreign workers May 30. The LDP's position is said to be sympathetic to small and midsized businesses, which recently have been hamstrung by a severe shortage of unskilled labor. Party experts have suggested the possibility of expanding the training system to provide more unskilled foreign workers for these firms. They contend that some types of jobs classified as unskilled in Japan are regarded

in developing countries as jobs that require technical skills. Since one of the objectives of Japan's foreign aid program is to transfer technological know-how to developing countries, an expanded definition of skilled labor would benefit both foreign workers and small Japanese companies involved in their training. The LDP has no timetable for a recommendation on this issue.

The Japan Socialist Party said last year that it is necessary to draft medium and long-term plans that take into account the increasing internationalization of Japan's economy. This statement was criticized as too ambiguous since it gave no clue whether the party was for or against the entry of more foreign workers. Other opposition parties, like Komeito and the Democratic Socialist Party, generally are opposed to the idea of accepting unskilled foreign workers in the belief that such a stance protects the interests of Japanese labor. However, no party is ready to outline its official position. Given the complexity of the issue, it may be quite awhile before Japan's major parties take a stand.

One of the more radical ideas to be proposed came from an advisory group to the Economic Planning Agency in April 1990. Pointing out the difficulty the Justice Ministry has in enforcing a restrictive immigration policy given the current world economic and political environment and noting the drawbacks to small business's proposal for an organization to handle unskilled foreign laborers, the EPA group offered a third suggestion. Under this plan Tokyo would extend job opportunities, including the trainee program, by relaxing the "qualification of stay" for people from developing countries. To integrate these workers into Japanese society the government would provide language education, knowledge about the Japanese community and Japanese history, health care and other assistance to ensure them a decent standard of living.

The "integration" approach is considered desirable and beneficial for both Japan and foreign workers. Since the small number of legal immigrants already in the country are treated like Japanese in the areas of education, social security and health insurance, this approach, its backers hope, would raise the social status of legal foreign workers (including trainees) to the same level as that of immigrants as well as increase the number of foreign workers. The EPA plan still sets limits, however, and would treat illegal, unskilled workers differently because they are considered to be a disturbance to society.

Prime Minister Toshiki Kaifu's government established a cabinet-level committee last December to monitor implementation of the revised immigration law and to draft a more comprehensive policy. This group, which includes representatives of 17 government organizations, is to coordinate the different approaches of various ministries and agencies and to try to speak in one official voice as soon as possible.

Conclusion

Japan is not alone among industrial countries in having adopted and maintained an immigration policy tailored to its perceived economic and social requirements. Moreover, just as other nations, like West Germany and the United States, have tightened immigration recently, so has Japan. But one clear difference exists between Japan and other advanced countries: the number of foreign workers represents a miniscule share of the total population. Therefore,

the social and the economic impact of foreign workers is significantly different in Japan than in this country or Western Europe.

Foreign workers pose not only economic problems but also social and cultural dilemmas. The closed nature of Japanese society creates even more conflict with proposals for greater foreign worker access to the labor market. Haruo Shimada, an economics professor at Keio University, says that Japan cannot avoid letting in more foreign workers as it internationalizes. Given the world's increasing interconnectedness, he notes, society everywhere inevitably will become more open. By accepting different value standards brought by foreign workers, Japan might become more like other countries and, in doing so, could remove the source of international conflict that stems from perceptions of its uniqueness. The Asahi Shimbun poll from last fall suggests that a majority of Japanese generally agree with this thesis. Disagreements about how and when to open Japanese society to foreign workers imply that an answer will be neither easy nor forthcoming in the near future.

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The views expressed in this report are those of the author and do not necessarily represent those of the Japan Economic Institute.